

CITY OF SYRACUSE, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Syracuse, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Syracuse, Kansas as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the City of Syracuse, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Syracuse, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Syracuse, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, and schedule of regulatory basis receipts and disbursements – agency fund (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Syracuse, Kansas as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated September 7, 2017, which contained an unmodified opinion on the basic financial statement. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended December 31, 2017, (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole for the year ended December 31, 2016, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

September 6, 2018

CITY OF SYRACUSE, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended December 31, 2017

<u>Funds</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General fund:		
General fund	\$ 267,714	\$ -
Special purpose funds:		
Employee benefits	20,897	-
Parks and recreation	6,551	-
Special highway	27,944	-
Fire fighting equipment	12,712	-
Tourism	20,299	-
Street machinery	48,401	-
Capital improvements	114,836	-
Total special purpose funds	251,640	-
Bond and interest fund:		
Bond and interest	782	-
Business funds:		
Water, sewer and refuse utility	206,765	-
Utility depreciation reserve	526,235	-
Total business funds	733,000	-
Total - excluding agency funds	<u>\$ 1,253,136</u>	<u>\$ -</u>
Composition of cash:		
Checking accounts		
Money market accounts		
Certificates of deposit		
Utility petty cash checking		
Petty cash		
Total cash		
Agency funds		
Total cash - excluding agency funds		

The notes to the financial statement are an integral part of this statement.

STATEMENT 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
<u>\$ 861,017</u>	<u>\$ 853,460</u>	<u>\$ 275,271</u>	<u>\$ -</u>	<u>\$ 275,271</u>
112,651	117,964	15,584	-	15,584
3,243	2,923	6,871	-	6,871
44,912	27,010	45,846	-	45,846
4,710	3,377	14,045	-	14,045
10,915	5,100	26,114	-	26,114
10,000	3,150	55,251	-	55,251
<u>30,000</u>	<u>3,902</u>	<u>140,934</u>	<u>-</u>	<u>140,934</u>
<u>216,431</u>	<u>163,426</u>	<u>304,645</u>	<u>-</u>	<u>304,645</u>
<u>16,094</u>	<u>16,000</u>	<u>876</u>	<u>-</u>	<u>876</u>
653,211	677,010	182,966	-	182,966
<u>70,000</u>	<u>15,437</u>	<u>580,798</u>	<u>-</u>	<u>580,798</u>
<u>723,211</u>	<u>692,447</u>	<u>763,764</u>	<u>-</u>	<u>763,764</u>
<u>\$ 1,816,753</u>	<u>\$ 1,725,333</u>	<u>\$ 1,344,556</u>	<u>\$ -</u>	<u>\$ 1,344,556</u>
				\$ 134,875
				581,030
				654,214
				536
				<u>210</u>
				1,370,865
				<u>26,309</u>
				<u>\$ 1,344,556</u>

CITY OF SYRACUSE, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Syracuse, Kansas is a municipal corporation governed by an elected mayor and five-member council. The City has no related municipal entities.

2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2017:

REGULATORY BASIS FUND TYPES

General fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources (including tax levies and transfers from other funds) and payment of general long-term debt.

Business funds – funds financed in whole or in part by fees charged to users of the goods or services.

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in the local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for utility reserve funds, agency funds, and the street machinery and capital improvements special purpose funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks to provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2017.

At December 31, 2017 the carrying amount of the City's deposits, including certificates of deposit, was \$1,370,655 and the bank balance was \$1,480,741. Of the bank balance, \$654,706 was covered by federal depository insurance and \$826,035 was collateralized with securities held by the pledging financial institutions agents in the City's name.

C. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2017, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
Fire Truck					
Issued August 27, 2007					
In the amount of \$160,000					
At an interest rate of -0-%					
Maturing February 1, 2018					
Final payment will be made in 2017	\$ 16,000	\$ -	\$ 16,000	\$ -	\$ -
Loan from Firemen's Relief Association:					
Fire Equipment					
Issued May 15, 2012					
In the amount of \$26,323					
At an interest rate of 5%					
Maturing May 15, 2022	16,033	-	2,606	13,427	711
Capital leases:					
Refuse Truck					
Issued May 11, 2015					
In the amount of \$110,351					
At an interest rate of 2.75%					
Maturing May 11, 2019	83,875	-	27,203	56,672	2,306
Refuse Truck					
Issued December 17, 2012					
In the amount of \$125,511					
At an interest rate of 3.501%					
Maturing December 17, 2017	27,171	-	27,171	-	951
Backhoe					
Issued February 20, 2013					
In the amount of \$82,724					
At an interest rate of 3.503%					
Maturing February 20, 2018	29,131	-	14,315	14,816	1,020
Sand Park Building					
Issued March 1, 2016					
In the amount of \$69,300					
At an interest rate of 3.765%					
Maturing March 1, 2026	69,300	-	5,835	63,465	2,609
Sewer Jetter					
Issued February 15, 2017					
In the amount of \$78,194					
At an interest rate of 3.283%					
Maturing February 15, 2024	-	78,194	11,730	66,464	-
Total capital leases	<u>209,477</u>	<u>78,194</u>	<u>86,254</u>	<u>201,417</u>	<u>6,886</u>
Total long-term debt	<u>\$ 241,510</u>	<u>\$ 78,194</u>	<u>\$ 104,860</u>	<u>\$ 214,844</u>	<u>\$ 7,597</u>

C. LONG-TERM DEBT (CONTINUED)

Current maturities of the loan from the Firemen's Relief Association through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2018	\$ 2,738	\$ 639	\$ 3,377
2019	2,876	501	3,377
2020	3,022	355	3,377
2021	3,175	202	3,377
2022	<u>1,616</u>	<u>40</u>	<u>1,656</u>
Total	<u>\$ 13,427</u>	<u>\$ 1,737</u>	<u>\$ 15,164</u>

Current maturities of capital leases for the next five years and through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2018	\$ 57,423	\$ 6,649	\$ 64,072
2019	43,885	4,851	48,736
2020	15,693	3,533	19,226
2021	16,240	2,987	19,227
2022	16,806	2,421	19,227
2023-2026	<u>51,370</u>	<u>3,972</u>	<u>55,342</u>
Total	<u>\$ 201,417</u>	<u>\$ 24,413</u>	<u>\$ 225,830</u>

D. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Water, sewer and refuse utility	Utility depreciation reserve	K.S.A. 12-825d	\$ 70,000
Water, sewer and refuse utility	General	K.S.A. 12-825d	30,000
General	Street machinery	K.S.A. 12-1,119	10,000
General	Capital improvements	K.S.A. 12-1,118	<u>30,000</u>
			<u>\$ 140,000</u>

E. DEFINED BENEFIT PENSION PLAN

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by the City and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for KPERS for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$34,714 for the year ended December 31, 2017.

Net pension liability. At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$397,086. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial report including all actuarial assumptions and methods, and the report on the allocation of the KPERS net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Vacation leave. Ten to fifteen working days per year, depending on years of service, are allowed as vacation leave to regular full-time City employees. If not used by year-end, these days are lost.

Sick leave. Sick leave for regular full-time employees is earned at a rate of one day per month and may accrue up to a maximum of 720 hours. Unused sick leave will not be paid upon termination or resignation.

F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Other post employment benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement. This year the City had no retirees participating in the health insurance.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

G. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical needs of employees. The City purchases commercial insurance to cover health, property, liability, and worker's compensation claims. There has been no reduction in coverage from the prior year and settlements have not exceeded coverage in the past three years.

H. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 6, 2018, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in the financial statement.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SYRACUSE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

<u>Funds</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund:					
General	\$ 967,000	\$ -	\$ 967,000	\$ 853,460	\$ 113,540
Special purpose funds:					
Employee benefits	125,000	-	125,000	117,964	7,036
Parks and recreation	10,000	-	10,000	2,923	7,077
Special highway	100,000	-	100,000	27,010	72,990
Fire fighting equipment	17,400	-	17,400	3,377	14,023
Tourism	30,000	-	30,000	5,100	24,900
Bond and interest fund:					
Bond and interest	16,000	-	16,000	16,000	-
Business fund:					
Water, sewer and refuse utility	<u>820,000</u>	<u>-</u>	<u>820,000</u>	<u>677,010</u>	<u>142,990</u>
Total	<u>\$ 2,085,400</u>	<u>\$ -</u>	<u>\$ 2,085,400</u>	<u>\$ 1,702,844</u>	<u>\$ 382,556</u>

See Independent Auditor's Report

CITY OF SYRACUSE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017			Variance favorable (unfavorable)
	2016	Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 222,253	\$ 211,815	\$ 222,567	\$ (10,752)
Delinquent tax	8,666	18,698	7,000	11,698
Motor vehicle tax	45,723	45,973	38,893	7,080
Franchise tax	70,827	72,722	75,000	(2,278)
Sales and compensating use tax	295,819	254,421	245,000	9,421
Alcohol tax	3,387	3,243	3,110	133
County solid waste	94,810	102,206	96,000	6,206
State and federal aid	-	61,475	-	61,475
Charges for services	27,096	39,671	25,000	14,671
Licenses and permits	9,670	4,522	4,000	522
Fines	653	820	1,000	(180)
Interest	2,055	2,170	2,000	170
Miscellaneous	28,586	13,281	7,500	5,781
Transfers	25,000	30,000	50,000	(20,000)
Total receipts	<u>834,545</u>	<u>861,017</u>	<u>\$ 777,070</u>	<u>\$ 83,947</u>
Expenditures:				
General government	312,522	337,777	\$ 340,000	\$ 2,223
Fire protection	24,010	26,886	26,000	(886)
Police protection	150,000	154,500	154,500	-
Highways and streets	74,145	102,269	180,500	78,231
Street lighting	31,146	31,435	30,000	(1,435)
Park department	10,019	8,465	20,000	11,535
Sanitation	64,037	71,053	85,000	13,947
Airport appropriation	20,000	20,000	20,000	-
Economic development	19,000	-	19,000	19,000
Sandhill ATV park	55,864	61,075	60,000	(1,075)
Contribution to City on a Hill	-	-	2,000	2,000
Transfers	20,000	40,000	30,000	(10,000)
Total expenditures	<u>780,743</u>	<u>853,460</u>	<u>\$ 967,000</u>	<u>\$ 113,540</u>
Receipts over (under) expenditures	53,802	7,557		
Unencumbered cash, beginning of year	<u>213,912</u>	<u>267,714</u>	<u>\$ 189,930</u>	<u>\$ 77,784</u>
Unencumbered cash, end of year	<u>\$ 267,714</u>	<u>\$ 275,271</u>		

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem property tax	\$ 80,890	\$ 89,269	\$ 93,799	\$ (4,530)
Delinquent tax	3,084	6,488	1,000	5,488
Motor vehicle tax	16,563	16,894	14,154	2,740
Total receipts	<u>100,537</u>	<u>112,651</u>	<u>\$ 108,953</u>	<u>\$ 3,698</u>
Expenditures:				
Health insurance	66,305	75,976	\$ 72,000	\$ (3,976)
FICA	19,676	20,641	25,000	4,359
KPERs and unemployment	21,780	21,347	28,000	6,653
Total expenditures	<u>107,761</u>	<u>117,964</u>	<u>\$ 125,000</u>	<u>\$ 7,036</u>
Receipts over (under) expenditures	(7,224)	(5,313)		
Unencumbered cash, beginning of year	<u>28,121</u>	<u>20,897</u>	<u>\$ 16,047</u>	<u>\$ 4,850</u>
Unencumbered cash, end of year	<u>\$ 20,897</u>	<u>\$ 15,584</u>		

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

PARKS AND RECREATION FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Alcohol tax	\$ 3,387	\$ 3,243	<u>\$ 3,110</u>	<u>\$ 133</u>
Expenditures:				
Parks and recreation	<u>2,468</u>	<u>2,923</u>	<u>\$ 10,000</u>	<u>\$ 7,077</u>
Receipts over (under) expenditures	919	320		
Unencumbered cash, beginning of year	<u>5,632</u>	<u>6,551</u>	<u>\$ 6,890</u>	<u>\$ (339)</u>
Unencumbered cash, end of year	<u>\$ 6,551</u>	<u>\$ 6,871</u>		

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Gasoline tax	\$ 45,246	\$ 44,912	<u>\$ 45,420</u>	<u>\$ (508)</u>
Expenditures:				
Street maintenance	<u>61,191</u>	<u>27,010</u>	<u>\$ 100,000</u>	<u>\$ 72,990</u>
Receipts over (under) expenditures	(15,945)	17,902		
Unencumbered cash, beginning of year	<u>43,889</u>	<u>27,944</u>	<u>\$ 54,580</u>	<u>\$ (26,636)</u>
Unencumbered cash, end of year	<u>\$ 27,944</u>	<u>\$ 45,846</u>		

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

FIRE FIGHTING EQUIPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017		Variance favorable (unfavorable)	
	2016	Actual		Budget
Receipts:				
Taxes:				
Ad valorem property tax	\$ 3,626	\$ 3,631	\$ 3,922	\$ (291)
Delinquent tax	150	315	100	215
Motor vehicle tax	803	764	633	131
Total receipts	<u>4,579</u>	<u>4,710</u>	<u>\$ 4,655</u>	<u>\$ 55</u>
Expenditures:				
Equipment	-	-	\$ 14,023	\$ 14,023
Loan payments	<u>3,388</u>	<u>3,377</u>	<u>3,377</u>	<u>-</u>
Total expenditures	<u>3,388</u>	<u>3,377</u>	<u>\$ 17,400</u>	<u>\$ 14,023</u>
Receipts over (under) expenditures	1,191	1,333		
Unencumbered cash, beginning of year	<u>11,521</u>	<u>12,712</u>	<u>\$ 12,745</u>	<u>\$ (33)</u>
Unencumbered cash, end of year	<u>\$ 12,712</u>	<u>\$ 14,045</u>		

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

TOURISM FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transient guest tax	\$ -	\$ 10,915	<u>\$ 7,000</u>	<u>\$ 3,915</u>
Expenditures:				
Tourism	<u>787</u>	<u>5,100</u>	<u>\$ 30,000</u>	<u>\$ 24,900</u>
Receipts over (under) expenditures	(787)	5,815		
Unencumbered cash, beginning of year	<u>21,086</u>	<u>20,299</u>	<u>\$ 23,000</u>	<u>\$ (2,701)</u>
Unencumbered cash, end of year	<u>\$ 20,299</u>	<u>\$ 26,114</u>		

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

STREET MACHINERY FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Sale of equipment	\$ 5,825	\$ -
Transfers	<u>5,000</u>	<u>10,000</u>
Total receipts	10,825	10,000
Expenditures:		
Equipment	<u>3,800</u>	<u>3,150</u>
Receipts over (under) expenditures	7,025	6,850
Unencumbered cash, beginning of year	<u>41,376</u>	<u>48,401</u>
Unencumbered cash, end of year	<u><u>\$ 48,401</u></u>	<u><u>\$ 55,251</u></u>

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

CAPITAL IMPROVEMENTS FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Debt proceeds	\$ 24,707	\$ -
Transfers	<u>15,000</u>	<u>30,000</u>
Total receipts	39,707	30,000
Expenditures:		
Capital outlay	<u>29,589</u>	<u>3,902</u>
Receipts over (under) expenditures	10,118	26,098
Unencumbered cash, beginning of year	<u>104,718</u>	<u>114,836</u>
Unencumbered cash, end of year	<u><u>\$ 114,836</u></u>	<u><u>\$ 140,934</u></u>

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

BOND AND INTEREST FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes:				
Ad valorem property tax	\$ 12,542	\$ 12,400	\$ 13,026	\$ (626)
Delinquent tax	506	1,602	100	1,502
Motor vehicle tax	2,604	2,092	2,195	(103)
Total receipts	15,652	16,094	<u>\$ 15,321</u>	<u>\$ 773</u>
Expenditures:				
Bond principal	16,000	16,000	<u>\$ 16,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	(348)	94		
Unencumbered cash, beginning of year	1,130	782	<u>\$ 679</u>	<u>\$ 103</u>
Unencumbered cash, end of year	<u>\$ 782</u>	<u>\$ 876</u>		

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

WATER, SEWER AND REFUSE UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Water sales	\$ 326,165	\$ 305,995	\$ 375,000	\$ (69,005)
Sewer charges	143,698	148,439	140,000	8,439
Refuse charges	162,700	167,900	165,000	2,900
Sales tax	9,405	8,549	13,000	(4,451)
Penalties	9,091	8,899	10,000	(1,101)
Interest	1,876	2,129	2,000	129
Miscellaneous	12,004	11,300	5,000	6,300
Total receipts	<u>664,939</u>	<u>653,211</u>	<u>\$ 710,000</u>	<u>\$ (56,789)</u>
Expenditures:				
Water expense	413,374	402,683	\$ 460,000	\$ 57,317
Sewer expense	29,820	49,521	80,000	30,479
Refuse expense	119,439	124,806	130,000	5,194
Transfers	115,000	100,000	150,000	50,000
Total expenditures	<u>677,633</u>	<u>677,010</u>	<u>\$ 820,000</u>	<u>\$ 142,990</u>
Receipts over (under) expenditures	(12,694)	(23,799)		
Unencumbered cash, beginning of year	<u>219,459</u>	<u>206,765</u>	<u>\$ 116,459</u>	<u>\$ 90,306</u>
Unencumbered cash, end of year	<u>\$ 206,765</u>	<u>\$ 182,966</u>	<u>\$ 6,459</u>	<u>\$ 176,507</u>

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

UTILITY DEPRECIATION RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Sale of equipment	\$ 4,500	\$ -
Transfers	<u>90,000</u>	<u>70,000</u>
Total receipts	94,500	70,000
Expenditures:		
Capital outlay	<u>199,350</u>	<u>15,437</u>
Receipts over (under) expenditures	(104,850)	54,563
Unencumbered cash, beginning of year	<u>631,085</u>	<u>526,235</u>
Unencumbered cash, end of year	<u><u>\$ 526,235</u></u>	<u><u>\$ 580,798</u></u>

See Independent Auditor's Report.

CITY OF SYRACUSE, KANSAS

AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended December 31, 2017

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Water deposits	\$ 29,480	\$ 4,800	\$ 7,971	\$ 26,309

See Independent Auditor's Report